

# Chapter 1

## Introduction

### 1.0 Project Background

The Confederated Tribes of the Umatilla Indian Reservation (CTUIR) propose to develop, build and manage a light industrial and commercial business park known as the Coyote Business Park. The proposed Coyote Business Park would be located on a 520 (+/-) acre site south of Interstate 84 at Exit 216 and west of South Market Road, approximately five miles east of Pendleton, Oregon on the Umatilla Indian Reservation (Figure 1-1).

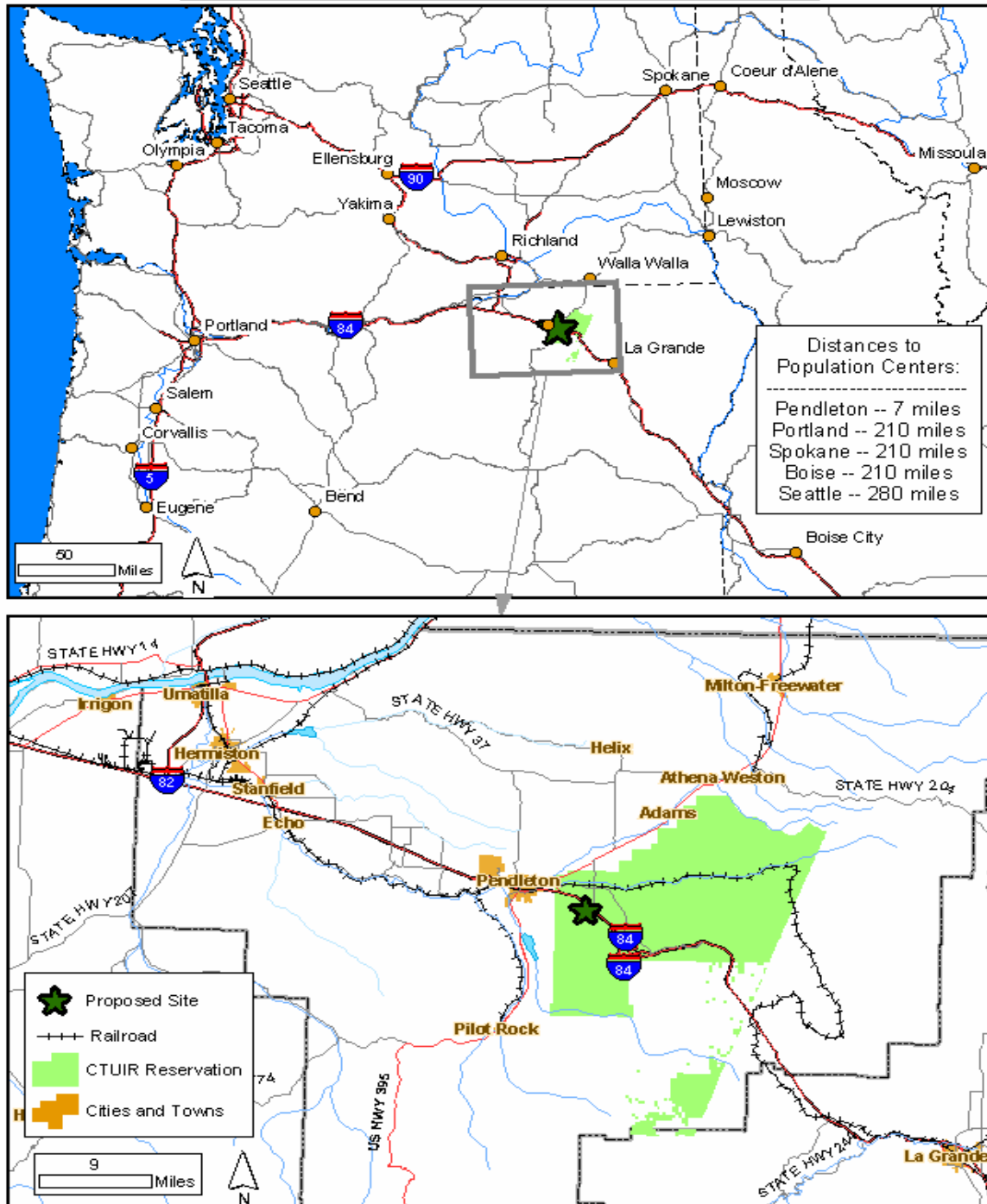
The initial planned development phase of the site would include construction of the domestic water service, sanitary sewer service, fire protection, storm water drainage systems, telecommunications, electric utility service, natural gas, and access roads. The CTUIR proposes to lease lots in the Coyote Business Park to light industrial and commercial businesses. Pursuant to the Treaty of June 8, 1855 (12 Statute 945) that established the Umatilla Indian Reservation, the CTUIR retained authority to self govern and determine and plan for their economic future.

The CTUIR exercises jurisdiction over approximately 172,400 acres of land in Northeastern Oregon, providing a broad range of essential governmental services to Tribal members and Reservation residents alike. These services include fire and police protection, emergency medical services, health care and social services, planning and zoning, and environmental restoration and protection.

According to the Comprehensive Plan of 1996, the goals of the CTUIR are:

- a) To protect and exercise the sovereign, Tribal, and individual rights and to maintain the cultural integrity of the Confederated Tribes of the Umatilla Indian Reservation
- b) To optimize the development of all Tribal resources and opportunities within the Umatilla Indian Reservation and the ceded area of the Confederated Tribes as recognized and documented in the Treaty of 1855.
- c) To provide, protect, and maintain all services and entitlements to the Confederated Tribes of the Umatilla Indian Reservation.
- d) To responsibly assert and develop relationships and cooperate with those governments or governmental agencies- federal, state or Tribal- that are willing and able to recognize and respect the sovereignty of the Confederated Tribes and which can assist the Tribe to protect its rights and interests.

## Proposed Coyote Business Park Regional Location



**Figure 1-1 Proposed Coyote Business Park Regional Locations**

- e) The CTUIR is a sovereign nation composed of the Cayuse, Walla Walla, and Umatilla Tribes, recognized by the United States in the Treaty of 1855 which can assist the Tribe protect its rights and interests.

The CTUIR has a responsibility to provide for the needs of its members through the development of a strong economy. Between 1994 and 1998, the Tribes developed the Wildhorse Resort complex, which included a casino, hotel and restaurant, golf course, RV park, and Tamastslikt Cultural Institute. CTUIR member employment increased through the resort development and through subsequent expansion of essential governmental services. Between 1990 and 2000, the unemployment rate of American Indians and Alaska Natives on the Reservation declined from 37% to 17%, due to the expansion of the economy.

Although the new jobs and enterprises have brought more stability to the Reservation economy, which previously relied on federal grants, transfer payments, and agricultural income, the service and governmental sectors are the main economic foundation of the Reservation. These sectors have historically been subject to unpredictable swings due to political and economic changes at the state, national and international level.

In the 1996 Comprehensive Plan, the CTUIR established the economic development goal of improving and diversifying the overall economy of the Umatilla Indian Reservation while respecting traditional cultural values. Specific objectives for achieving this goal included the acquisition and development of suitable lands for commercial and industrial uses.

In a deliberate effort to assert sovereignty and actively manage the rate and type of economic growth on the Reservation, the CTUIR established a goal of controlling growth at the intersection of Interstate 84 and Highway 331. In 1997, the CTUIR purchased over 700 acres of land at the intersection of Interstate 84 and Highway 331 (Exit 216) with the intention of providing a location for business development on the Reservation.

In 1998, the CTUIR approved a Mission Community Plan that designated 110 acres of this parcel for future "Light Industrial Manufacturing." This plan also designated approximately 80 acres north of I-84 (and west of the Arrowhead Travel Plaza) as future Commercial Development. The intent was to maintain commercial uses (restaurants, retail shops, recreation) on the north side of the Interstate, and maintain industrial uses with its associated truck and employment traffic on the south side of the Interstate.

In 2000, the CTUIR further expanded the tribal presence at this intersection with the purchase of the Arrowhead Travel Plaza at the northeast corner of the interchange.

In 2001, the CTUIR completed a preliminary infrastructure analysis that identified various ways of extending water and sanitary sewer to a proposed business park south of Interstate 84. This study, "Interstate Industrial Park Site Infrastructure Master Plan," was funded by the State of Oregon Department of Economic and Community Development and by the CTUIR, and forms the basis for the action alternatives considered in this Environmental Impact Statement (EIS).

In 2002, the CTUIR made a formal request to the Bureau of Indian Affairs to initiate the environmental review process for the proposed business park.

In January 2003, the Bureau of Indian Affairs (BIA) initiated the environmental review process with a public scoping meeting. In September 2003, the CTUIR adopted an Overall Economic Development Plan that identified development of the Coyote Business Park as a high priority to diversify the Umatilla Indian Reservation economy, create employment and business opportunities for tribal members, and increase revenues for the CTUIR government.

## **1.1 Summary of Proposed Action**

### **Phase I**

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The first phase of the proposed development would be construction of infrastructure for the Coyote Business Park including extension of domestic water, sanitary sewer, stormwater drainage, roads, and utilities (infrastructure) to the proposed lots as described below. A detailed description of infrastructure development for each of the proposed alternatives is provided in Chapter 2.

- Domestic water would be provided from either an on-site well or through domestic water service through an extension of the Mission Community Water System.
- Sanitary sewer would be provided through construction of either on-site septic and drainfield systems or through extension of the Mission Community Sewer collection system.
- A stormwater collection system (open swales and local and regional retention ponds) would retain stormwater on-site.
- Road service to the site would be provided via a new access point on South Market Road.

- Safety on Highway 331 would be improved by consolidating an existing access point for adjacent uses [Oregon Department of Transportation (ODOT) gravel shed and CTUIR Transfer Station] with the new business park access point. In addition, constructing a new bridge across Patawa Creek would provide access to the adjacent uses from the business park. The existing service road providing access to the ODOT gravel shed and CTUIR Transfer Station would be subsoiled or similarly de-compacted to reduce runoff into Patawa Creek.
- Landscaping would be created along South Market Road, along a portion of Tutuilla Church Road, and throughout the business park.
- Utility service (power, telecommunications, natural gas) would be made available to the individual lots.
- Supports for the high-voltage power lines crossing the site would be upgraded from wooden to metal structures, increasing the clearance from the ground.
- A Riparian Management Zone would be created within the footprint of the proposed development to provide protection to Patawa Creek.

Construction of infrastructure would be completed and financed by the CTUIR and potentially by state and/or federal funding partners. The timing of this construction would depend on availability of financing, and would likely occur in 2006-2008 as funding permits. The expected timeframe for the construction of infrastructure in the first phase of the proposed project would be 5-8 months, depending on the alternative and the need to construct the proposed Patawa Creek crossing during the dry season.

## **Phase II**

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The second phase of the proposed action would be to construct and operate business facilities on the lots. This phase could occur concurrently with or subsequent to Phase I.

The proposals for numbers of lots and lot sizes are presented in detail in Chapter 2. This phase would likely be constructed and financed by the individual business owners, although CTUIR could also construct the business facilities and lease them to private operators. Anticipated light industrial operations would include warehousing, distribution, and assembly of previously manufactured components (for a specific list of permitted or allowed uses see Appendix A). Table 1-1 contains a summary of proposed business operations. This summary is based on actual reports of businesses that have expressed interest in locating in Eastern Oregon.

Based on the limitations of the community water and sewer system, and the proximity of the site to residential areas and areas of environmental

and cultural importance to the CTUIR, the CTUIR intends to restrict the type of development at the business park to operations that use limited amounts of water and are not involved in primary or heavy industrial manufacturing.

The timing of building construction and operation would depend on the tenants. It is anticipated that the lease-up of the proposed business park would take place over a period of five to twenty years. All leases are subject to approval by the BIA.

**Table 1.1**  
**Sample Proposed Uses for Coyote Business Park**

Hay Products Manufacturing
Straw Board Manufacturing
Recreational Equipment Manufacturing
Specialty Food Manufacturing (e.g., Baking, Condiments)
Manufacturing of Recycled Building Materials
Renewable Energy (Biodiesel) Production
Laboratory
Warehouse
Truck or Vehicle Repair Facility
Distribution Center
Recreational Vehicle Manufacturing
Trailer Manufacturing
Injection Molding for Agricultural Equipment
Machining for Agricultural Equipment

## **1.2 Purpose of and Need for the Proposed Action**

The purpose of the Coyote Business Park is to create job opportunities for CTUIR Tribal members and increase revenues to the CTUIR government by providing suitable locations for business operations that would diversify the Reservation economy.

### **Need for jobs for CTUIR members**

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Enrolled tribal members (of any federally recognized tribe) receive a substantial benefit for living and working on a Reservation in Oregon. Per Oregon state law, state income taxes are waived for enrolled members of a federally recognized tribe whose residence and place of employment are both located on a Reservation (see Section 3.12).

The Reservation is a high-unemployment area, with unemployment rates estimated at 37% in 1990 and 17% in 2000 (U.S. Census). Although the number of jobs available on the Reservation has increased since the

opening of the Wildhorse Casino Resort, there are still an estimated 100 CTUIR members actively seeking work (CTUIR Tribal Employment Rights Office, August 2004, Personal Communication). The Reservation labor force includes a number of “underemployed” CTUIR members as well as discouraged unemployed workers. There is a need for a greater variety of jobs on the Reservation in order to provide employment options for those CTUIR members who do not wish to work in either the service or government sector (CTUIR Human Resources, Personal Communication, July 2004). According to the CTUIR Human Resources Department, there is “underemployment” of CTUIR members who work in the jobs available on the Reservation, but who have the skills or ability to advance and earn more if they were in a different industry.

There is also a need for more jobs on the Reservation to accommodate the estimated 30 young CTUIR members who will be turning 18 and moving into the workforce each year for the coming decade or longer (see Section 3.10 for further detail.) Some of these CTUIR members are going directly to college and would likely return to seek professional, technical, or management positions; others would be seeking entry-level jobs with advancement potential as they start their families.

There is an overall need for “semi-skilled” jobs for those CTUIR members who are not interested in working in the service or governmental sector or who are looking for entry into the workforce in an industrial rather than service or office setting (CTUIR Human Resources, Personal Communication, 2003). “Semi-skilled” jobs are those that require basic knowledge of mechanics, assembly or construction but generally provide opportunities for on-the-job training and advancement. In Eastern Oregon, these jobs are typically in manufacturing assembly and warehousing.

Salaries for workers in manufacturing and warehousing industries in Eastern Oregon industries typically range from \$9-\$15 per hour.

## **Need for land for business opportunities**

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A healthy Reservation economy is a diverse Reservation economy, with Tribally-owned businesses represented in every economic sector. One of the primary barriers to business growth in diverse economic sectors on the Reservation (whether for businesses owned by CTUIR tribal members or by non-members) is the lack of buildable industrial land. Before Reservation businesses can grow, there is a need for a location that is appropriately zoned and provided with appropriate water, sewer, and road access.

Until and unless “shovel-ready” buildable sites are available to businesses on the Reservation, business owners, both CTUIR-member owned and non-member owned, would need to locate businesses and jobs off-

Reservation. The lease revenues created by these businesses would then not benefit the CTUIR or the Reservation economy. Tribal members are exempt from Oregon income tax if they live and work on the Reservation, and so there is a further benefit to Tribal members from on-Reservation employment, if shovel-ready sites for business growth can be developed.

### **1.3 Objective of Coyote Business Park**

The CTUIR Board of Trustees has identified the following objective of the proposed Coyote Business Park development:

Objective: Develop infrastructure needed to recruit and site appropriate business facilities (including light manufacturing, product assembly, warehouse distribution) to create jobs for Tribal members (CTUIR, 1996; CTUIR 2003).

### **1.4 Laws and Regulations that influence scope of Environmental Impact Statement**

#### **Federal Agency Approval Process and Authorizing Actions**

The National Environmental Policy Act (NEPA) of 1969 requires that the environmental consequences of a major federal action be determined prior to the action being taken by a federal agency. This Environmental Impact Statement (EIS) follows guidelines promulgated by the Council on Environmental Quality Regulations (40 Code of the Federal Regulations [CFR] Parts 1500 through 1508) and the Department of Interior Manual (516 DM 1-6) for implementing the procedural provisions of NEPA. Federal agencies involved in land use or permit approvals are listed in Table 1.2.

#### **Bureau of Indian Affairs (BIA)**

The United States Government owes a trust obligation to Indian Tribes. This trust obligation doctrine imposes fiduciary standards on the conduct of the federal government. The Secretary of Interior, through delegation of authority to the BIA must protect and preserve Indian trust assets from loss, damage, unlawful alienation, waste, and depletion. The BIA also must assure that any management of Indian trust assets that the Secretary of Interior has an obligation to undertake promotes the interest of the beneficial owner and supports to the extent it is consistent with the government's trust responsibility the beneficial owner's intended use of the property.



**Table 1.2**  
**Federal Permits, Approvals, and Reviews Required for**  
**Construction and Operation**

<b>Agency</b>	<b>Nature of Action</b>	<b>Authority</b>
U.S. Bureau of Indian Affairs (BIA)	Lease of CTUIR trust lands	5 U.S.C. 301; 25 U.S.C. 2 and 9; 25 U.S.C. 380, 393, 393 a, 394, 395, 397, 402, 402a, 403, 403a, 403b, 403c, 409a, 413, 415, 415a, 415b, 415c, 415d, 477, 635, 3701, 3702, 3703, 3712, 3713, 3714, 3715, 3731, 3733, 44 U.S.C. 3101; 25 CFR Part 162 Subpart F.
	Antiquities and cultural resource use permit to excavate or remove cultural resources on federal lands	Archeological Resources Public Protection Act of 1979; 16 U.S.C. Section 470aa-470mm; 43 CFR Part 7
U.S. Environmental Protection Agency (USEPA), Region X	Storm Water Pollution Prevention Plan approval by CTUIR prior to construction	40 CFR 122
	Notice of Intent requesting discharge authorization submitted to EPA	
	National Pollutant Discharge Elimination System (NPDES) Permit for discharge of wastewater and storm water	
U.S. Fish and Wildlife Service (USFWS)	Section 7 Consultation Process for endangered or threatened species	Endangered Species Act of 1973 (ESA); 16 U.S.C. 1531 et seq.
U.S. Department of Transportation Federal Highway Administration (USDOT)	Permits to cross federal-aid highways	23 U.S.C. Sections 116,123,23 CFR Part 645 Subpart B
U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA), Fisheries	Section 7 Consultation process for endangered or threatened species	ESA; 16 U.S.C. 1531 et seq.
Advisory Council on Historic Preservation	Review and compliance as requested by Tribal Historic Preservation Officer (THPO)	Section 106 National Preservation Act (16 U.S.C. 470f) (36 CFR Part 800)

## 1.5 Non-Federal Agency Approval Process and Authorizing Actions

State and local authorizations that are required for various aspects of project construction and operation are listed in Table 1.3.

**Table 1.3**  
**State, Local, and Tribal Permits, Approvals, and Reviews Required for Construction and Operation**

<b>Agency</b>	<b>Nature of Action</b>	<b>Authority</b>
Oregon Department of Transportation	Alterations to gravel shed road	ORS 184 & 374.310 OAR 734-055-0005
U.S. Department of Transportation	Permit for oversize and overweight loads	Highway Department Rules and Regulations
Umatilla County	Road access permit and construction permit	County road regulations
City of Pendleton	Compliance with City Wastewater Treatment Codes for industrial discharge to system	Memorandum of Agreement between the CTUIR and the and the City of Pendleton, 1972
Confederated Tribes of the Umatilla Indian Reservation Planning Department	Building and construction permit	Land Use Planning Code, Umatilla Tribal Statutes (Section 3.190, Subsection 8)
Confederated Tribes of the Umatilla Indian Reservation Planning Department	Onsite Sewage Disposal System permit	Environmental Health & Safety Code, Umatilla Tribal Statutes (Section 5.015)
Confederated Tribes of the Umatilla Indian Reservation- Tribal Historic Preservation Office	Review and Compliance Activities	National Historic Preservation Act (16 U.S.C. 47 a(d)(1)(A)(5))
	Issue antiquities and cultural resource use permit to excavate or remove cultural resources on tribal lands	Archeological Resources Public Protection Act of 1979; 16 U.S.C. Section 470aa-470mm; 43 CFR Part 7
Confederated Tribes of the Umatilla Indian Reservation Water Resources Program	Streamzone Alteration Permit, regulates water withdrawal from Mission Community System,  Review and certification of Pollution Prevention Plan and Non Point Discharge Elimination Permit activities in stream zones in compliance with Clean Water Act	Water Code, Umatilla Tribal Statutes (Sections 2.02, 4)

## 1.6 Decision to be made

### **BIA**

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The Superintendent of the BIA, Umatilla Agency, has the authority to review and approve any leases of Tribal trust land. The BIA would consider the following options in making a decision regarding the proposed project:

- a. Do not approve development on the subject property or lease(s) for proposed business operations (no action);
- b. Approve a specific acreage of development on the subject property and approve lease(s) for proposed business operations; or
- c. Approve a specific acreage of development on the subject property with specific management constraints and mitigation measures and leases for proposed business operations.

Although the BIA has the authority to review and approve any leases of Trust land, it does not typically initiate lease discussions with potential lessees. The CTUIR Board of Trustees (BOT) has the authority to enter into contracts on behalf of the Tribes. Prior to any lease being forwarded to the BIA for consideration, the BOT would consider the merits of the proposed lease and make a decision whether to enter into a lease agreement or not. Considerations in this decision include consistency with Tribal law, policy, and goals. The BOT has established that economic development is a priority for the Coyote Business Park, but has also committed to uphold the laws of the CTUIR. These laws regulate the development of the Coyote Business Park as noted in Section 1.4.

### **Bonneville Power Administration (BPA)**

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The Bonneville Power Administration (BPA) would make the decision whether or not to upgrade the support structures for that component of the 230 kilovolt power line that crosses the proposed project site.

## 1.7 Summary of Scoping and List of Relevant Issues

### **Public Scoping**

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A Notice of Intent to Prepare an EIS was published in the Federal Register on January 9, 2003. Notices were published in January 2003 in area newspapers including the *East Oregonian* and the *Confederated Umatilla Journal* announcing preparation of an EIS and requesting public comments during the scoping period.

A public meeting was held on January 22, 2003 at Tamastslikt Cultural Institute on the Umatilla Indian Reservation. At the public scoping meeting, the CTUIR presented a description of the project, reasons why the proposed site was selected, and an overview of the environmental review process. The intent of this meeting was to record the public's concerns, questions, and comments regarding the proposed Tribal Industrial Park (later named the Coyote Business Park). Verbal comments were noted on flip charts, and participants were invited to sign up for the project mailing list. At the request of the public, the BIA extended the original public scoping period to February 28, 2003. No written comments were received from the public. Verbal comments received at the public meeting were summarized and reported in a newsletter that was mailed to the project mailing list during February 2003.

On November 6, 2003, an informal open house was held at Tamastslikt Cultural Institute for the purpose of updating the public on the alternatives developed to date. Maps showing the alternatives were available for public review, while CTUIR representatives answered questions from members of the public who attended.

## **Agency Scoping**

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In January 2003, the following federal and state agencies were contacted and requested to submit comments regarding the proposed project.

- Oregon Water Resources Department
- Oregon Department of Transportation
- U.S. Fish and Wildlife Service
- NOAA Fisheries

## **Tribal Government Scoping**

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Throughout 2003 and 2004, comments were sought from various departments, commissions, and advisory committees of the CTUIR:

- Cultural Resource Committee
- Economic and Community Development Committee
- Fish and Wildlife Commission
- Land Acquisition Committee
- Law and Order Committee
- Natural Resources Commission
- Tribal Employment Rights Ordinance Commission
- Water Commission
- Tribal Historic Preservation Office
- Department of Natural Resources- Wildlife

- Department of Natural Resources- Fisheries
- Department of Natural Resources- Water Resources
- Department of Natural Resources- Cultural Resources Protection Program
- Department of Natural Resources- Environmental Policy and Rights Protection
- Department of Science and Engineering
- Tribal Planning Office
- Public Works
- Human Resources (including Tribal Employment Rights Office)
- Department of Economic and Community Development
- Umatilla Tribal Police Department
- Umatilla Tribal Fire Department

## **Relevant Issues Identified through Public and Agency Scoping**

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The following relevant issues were identified through the scoping process.

### ***Impacts on Fish and Wildlife in the Area***

The public commented that construction and operation of a business park might disturb plant, animal, and fish populations that are either present on the site or dependent on habitat that could be affected by construction on the site. The result might be that animals might move out of the project area, plants might be destroyed, or that the fish population downstream might be harmed by changes in Patawa Creek.

### ***Water Quality***

The public commented that construction and operation of a business park might reduce quality or quantity of ground and surface water.

### ***Transportation***

The public commented that operation of a business park would increase traffic, particularly truck traffic. There might be more accidents in and around the affected area.

### ***Social and Economic Impact***

The public commented that light industrial and/or distribution warehousing operations at a business park may reduce the value of surrounding residential and agricultural land. The public further expressed the concern that the benefit of the newly created jobs would go to individuals who are not members of CTUIR.

### ***Air Quality***

The public commented that construction and operation of a business park might reduce air quality in and near the park.

***Cultural Resources***

The public commented that construction and operation of a business park might have a negative impact on unknown and/or known cultural resources that may be present on or near the project site, including Tutuilla Church and Cemetery which is located approximately ¼ mile to the west.

***Noise & Visual Impact***

The public commented that the proposed business park might be visible and/or audible from nearby residences and cultural sites.

***Infrastructure***

The public commented that provision of water and/or sewer service to the proposed business park might have a negative impact on the Mission Community Water and/or Sewer collection system.

***Emergency Response***

The public commented that the proposed business park might have a negative impact on fire and/or police services.

***Issues Discussed but outside the scope of the project***

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The public commented that there should be a comprehensive restoration of Patawa Creek either instead of or as part of the proposed construction of infrastructure and business facilities at the proposed project site. Since this restoration would not achieve CTUIR objectives in job and revenue creation for the project, it is considered to be outside the scope of the project. A new Riparian Management Zone is proposed as part of project design (see Chapter 2 and Appendix B for more detail).

The public commented that CTUIR tribal government should devote resources to addressing social issues on the Reservation. As this proposal addresses economic development, the use of government resources to address social issues is outside the scope of this project.

The public commented that the proposed site could be utilized for housing development instead of for business development. However, other sites in CTUIR ownership would also be suitable for housing development (CTUIR, 2000) but would not be suitable for business or light industrial development due to size, location, lack of proximity to Interstate 84, or topography.